



1Q18 Earnings Presentation

April 25, 2018

NASDAQ 1Q18 HIGHLIGHTS¹

Driving Accelerating Growth, Creating Sustainable Value

Nasdaq Net Revenues

1Q18 Revenue
Growth:

+9% Organic
Y-o-Y

Information Services

1Q18 Revenue
Growth:

+14% Organic
Y-o-Y

Market Services

1Q18 Net Revenue
Growth:

+11% Organic
Y-o-Y

Non-GAAP Operating Income

1Q18 Growth:

+14% Y-o-Y

Free Cash Flow ex Section 31 Fees

\$382 Million
in 1Q18

+61% Y-o-Y

Capital Returns to Shareholders²

\$162 Million
in 1Q18

Announced 16%
Dividend Increase

¹Please refer to the appendix for a reconciliation of U.S. GAAP to non-GAAP measures.

²Refers to share repurchases plus dividends.

1Q18 NON-GAAP SUMMARY⁽¹⁾

<i>(US\$ millions, except per share)</i>	1Q18	1Q17	% Δ
Revenue from non-trading segments ⁽²⁾	\$416	\$363	15%
Market Services Net Revenue ⁽³⁾	\$250	\$218	15%
Net Revenues⁽³⁾	\$666	\$581	15%
Operating Expenses	\$353	\$306	15%
Operating Income	\$313	\$275	14%
Operating Margin	47%	47%	—
Net Income	\$209	\$162	29%
Diluted EPS	\$1.24	\$0.95	31%
Diluted Shares Outstanding	169.0	170.2	(1)%

- 1Q18 net revenues⁽³⁾ totaled \$666 million, +15% Y-o-Y
 - Revenues from non-trading segments⁽²⁾ increased 15%, or \$53 million y-o-y, with increases in Information Services, Corporate Services and Market Technology.
 - Net revenues from Market Services⁽³⁾ increased 15%, or \$32 million y-o-y.

1. Please refer to the appendix for a reconciliation of U.S. GAAP to non-GAAP measures.

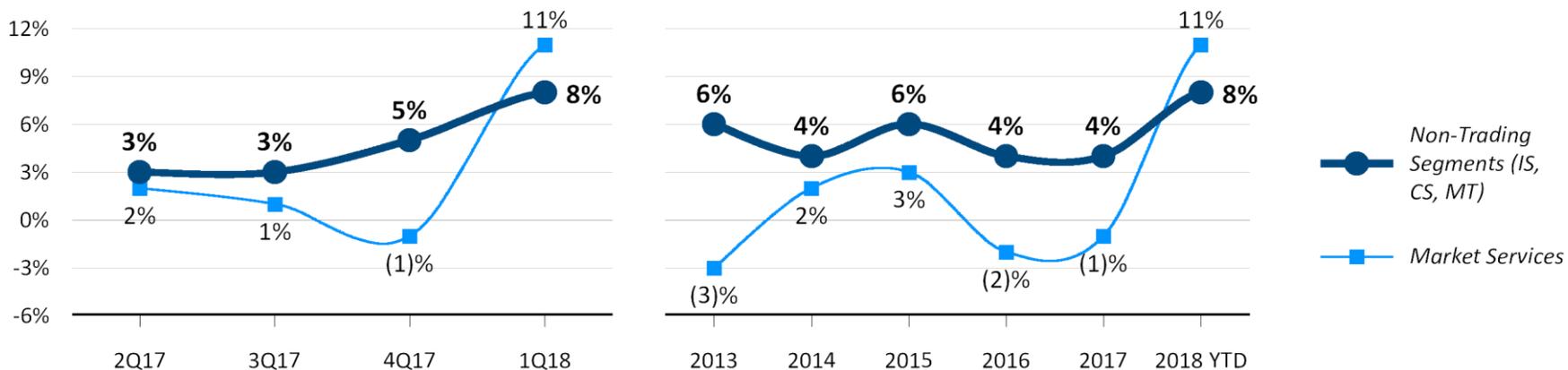
2. Represents revenues from our Corporate Services, Information Services and Market Technology segments.

3. Represents revenues less transaction-based expenses.

4. Represents revenues from our Corporate Services, Information Services and Market Technology segments, as well as our Trade Management Services business.

ORGANIC REVENUE AND OUTLOOK

NASDAQ YEAR-OVER-YEAR REVENUE GROWTH EXCLUDING ACQUISITIONS, CONSTANT CURRENCY⁽¹⁾



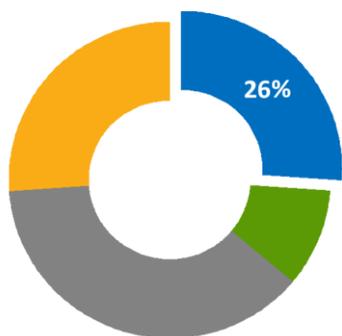
NASDAQ MEDIUM-TERM (3-5 YR) ORGANIC REVENUE GROWTH OUTLOOK

U.S. GDP ⁽²⁾	S&P 500 Revenue Consensus ⁽³⁾	Information Services	Market Technology	Corporate Services	Non-Trading Segments (IS, CS, MT)
2.5% - 3.0%	5% - 6%	5% - 7%	8% - 11%	3% - 5%	5% - 7%

1. Please refer to pages 26-27 for a reconciliation of organic revenue growth.
2. GDP forecasts for 2018 and 2019 according to Consensus Economics Inc.
3. FactSet consensus est. 2017-2019 average annual S&P 500 revenue growth, as of 4/16/18.

INFORMATION SERVICES

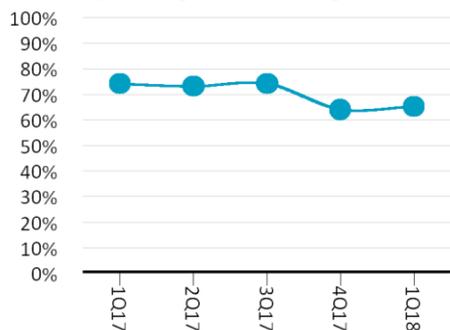
IS 1Q18
Net Revenue
Contribution



Information Services Performance Summary				
	1Q18	1Q17	% Δ	
Net Revenue	\$174M	\$138M	26%	<ul style="list-style-type: none"> • 23% increase in Data Products revenues: Primarily due to the acquisition of eVestment in October 2017, organic growth and a favorable impact from changes in foreign exchange rates. • 37% increase in Index Licensing & Services revenues: Primarily due to higher AUM in exchange traded products linked to Nasdaq indexes and higher licensing revenues from futures trading in the Nasdaq 100 Index. • The operating income margin totaled 65%, down 9 percentage points, reflecting the impact of the acquisition of eVestment and its purchase price adjustment on deferred revenue.
Operating Income	\$113M	\$102M	11%	
Operating Income Margin	65%	74%		

INFORMATION SERVICES NET REVENUES

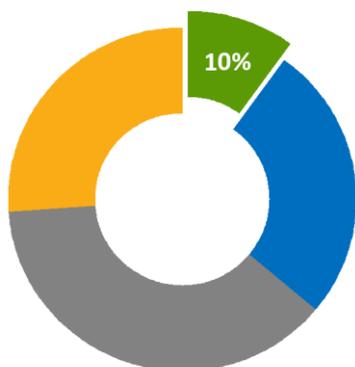
Operating Income Margin ⁽¹⁾



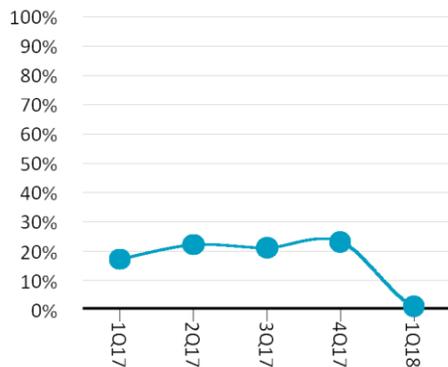
1. Information Services' margins reflect the allocation of certain costs that support the operation of various aspects of Nasdaq's business, including Market Services, to units other than Information Services.

MARKET TECHNOLOGY

MT 1Q18
Net Revenue
Contribution



Operating Income Margin



Market Technology Performance Summary

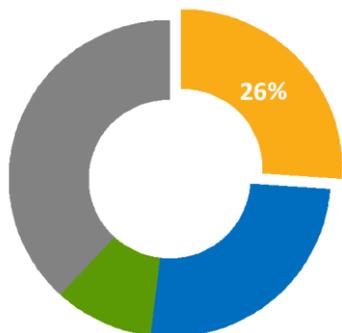
	1Q18	1Q17	% Δ	
Net Revenue	\$70M	\$65M	8%	<ul style="list-style-type: none"> • 8% growth in Market Technology revenues: The increase primarily reflects organic growth primarily due to higher software as a service revenues and higher change request revenues, as well as a favorable impact from changes in foreign exchange rates. • \$55 million new order intake in 1Q18 and 4% y-o-y increase in total order value to \$735 million at 1Q18. • The operating income margin totaled 1%, reflecting investments to upgrade technology for the Nasdaq Financial Framework, higher variable compensation accrual, and higher development and delivery spend related to contracts.
Operating Income	\$1M	\$11M	(91)%	
Operating Income Margin	1%	17%		

MARKET TECHNOLOGY NET REVENUES



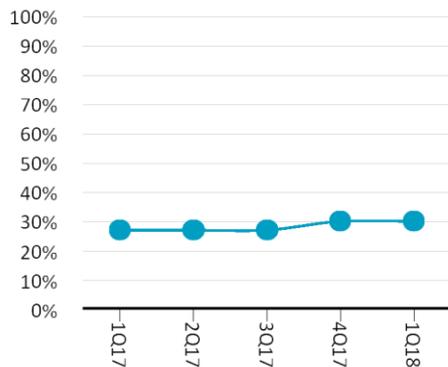
CORPORATE SERVICES

CS 1Q18
Net Revenue
Contribution



Corporate Services Performance Summary				
	1Q18	1Q17	% Δ	
Net Revenue	\$172M	\$160M	8%	<ul style="list-style-type: none"> • 5% increase in Corporate Solutions revenues. Due to organic growth in public relations and board and leadership, and a favorable impact from changes in foreign exchange rates. • 11% increase in Listing Services revenues: Primarily reflects organic increase, resulting from client adoption of our all-inclusive annual listing fee program offset by the run-off of fees earned from listing of additional shares, and a favorable impact from changes in foreign exchange rates. • 62 new U.S. listings including 37 IPOs in 1Q18, and a 63% U.S. IPO win rate. European new listings totaled 15 in 1Q18.
Operating Income	\$52M	\$43M	21%	
Operating Income Margin	30%	27%		

Operating Income Margin

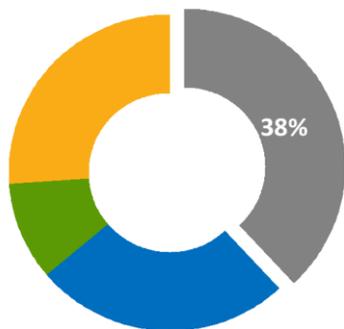


CORPORATE SERVICES NET REVENUES

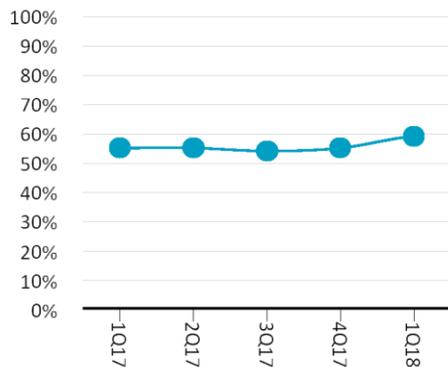


MARKET SERVICES

MS 1Q18
Net Revenue
Contribution



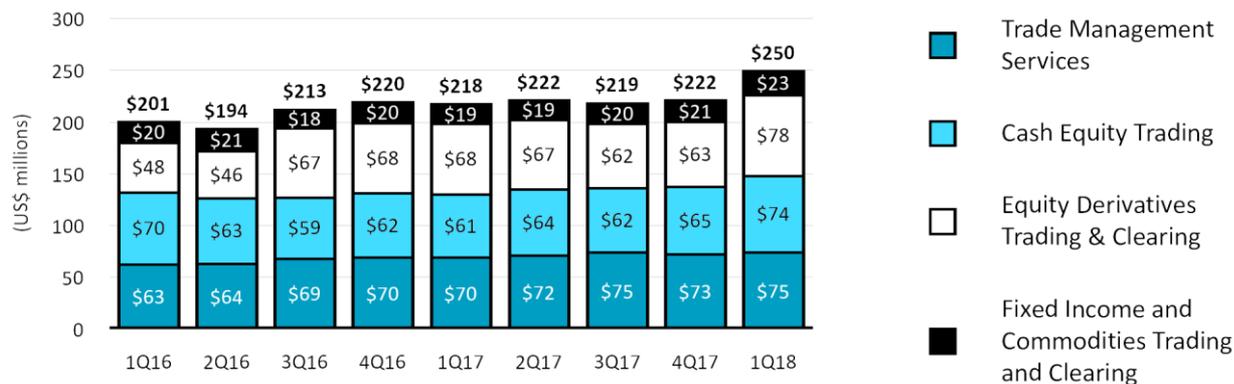
Operating Income Margin



Market Services Performance Summary			
	1Q18	1Q17	% Δ
Net Revenue	\$250M	\$218M	15%
Operating Income	\$147M	\$119M	24%
Operating Income Margin	59%	55%	

- **15% increase in Equity Derivative Trading and Clearing revenues:** Due primarily to higher U.S. trading volumes partially offset by lower U.S. market share and net capture.
- **21% increase in Cash Equity Trading revenues:** Due primarily to higher U.S. and European industry trading volumes and market share, as well as a favorable impact from changes in foreign exchange rates.
- **21% increase in Fixed Income and Commodities Trading and Clearing revenues:** Due to higher NFX net revenues as well as a favorable impact from changes in foreign exchange rates.
- **7% increase in Trade Management Services revenues:** Due primarily to an increase in customer demand for third-party connectivity and co-location.

MARKET SERVICES NET REVENUES

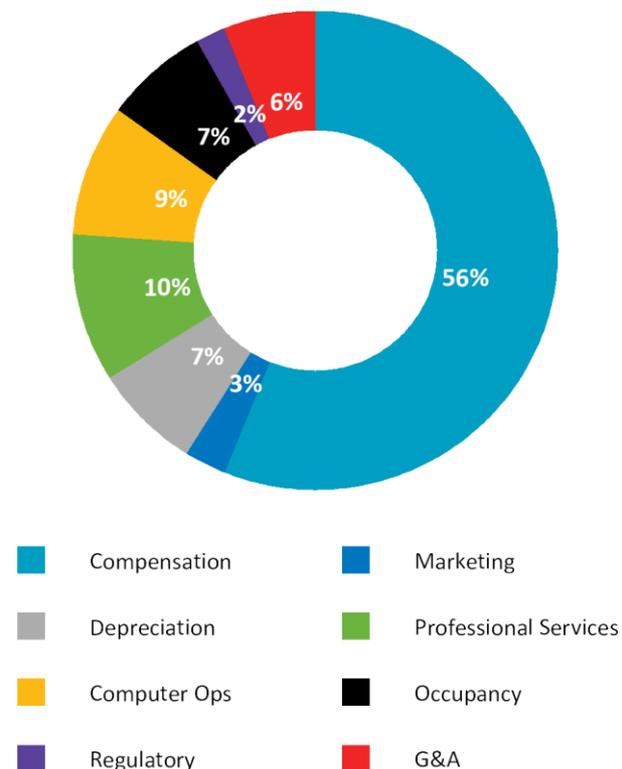


NON-GAAP OPERATING EXPENSES¹

(US\$ millions)

Total Non-GAAP operating expenses	1Q18	4Q17	1Q17
Compensation and benefits	197	181	161
Professional and contract services	37	43	36
Computer operations and data communications	32	34	30
Occupancy ⁽²⁾	24	23	23
General, admin. & other	22	17	19
Marketing and advertising	9	9	7
Depreciation and amortization ⁽²⁾	24	24	22
Regulatory	8	8	8
Total non-GAAP operating expenses	353	339	306

1Q18 EXPENSE CATEGORIES



1. Please refer to the appendix for reconciliation of U.S. GAAP to non-GAAP measures.

2. Depreciation and amortization expense in all periods has been adjusted from GAAP expense. For 1Q18 and 4Q17, occupancy expense is adjusted. Refer to slides 23 and 24 for the amounts and details of the adjustments for all periods presented.

2018 NON-GAAP EXPENSE AND TAX GUIDANCE

Nasdaq Non-GAAP Operating Expense Guidance
Includes partial-year of expenses from MM & PR businesses

Core Non-GAAP
Operating Expenses

\$1,230-\$1,260 Million

R&D Expenses

*\$65-\$75
Million*

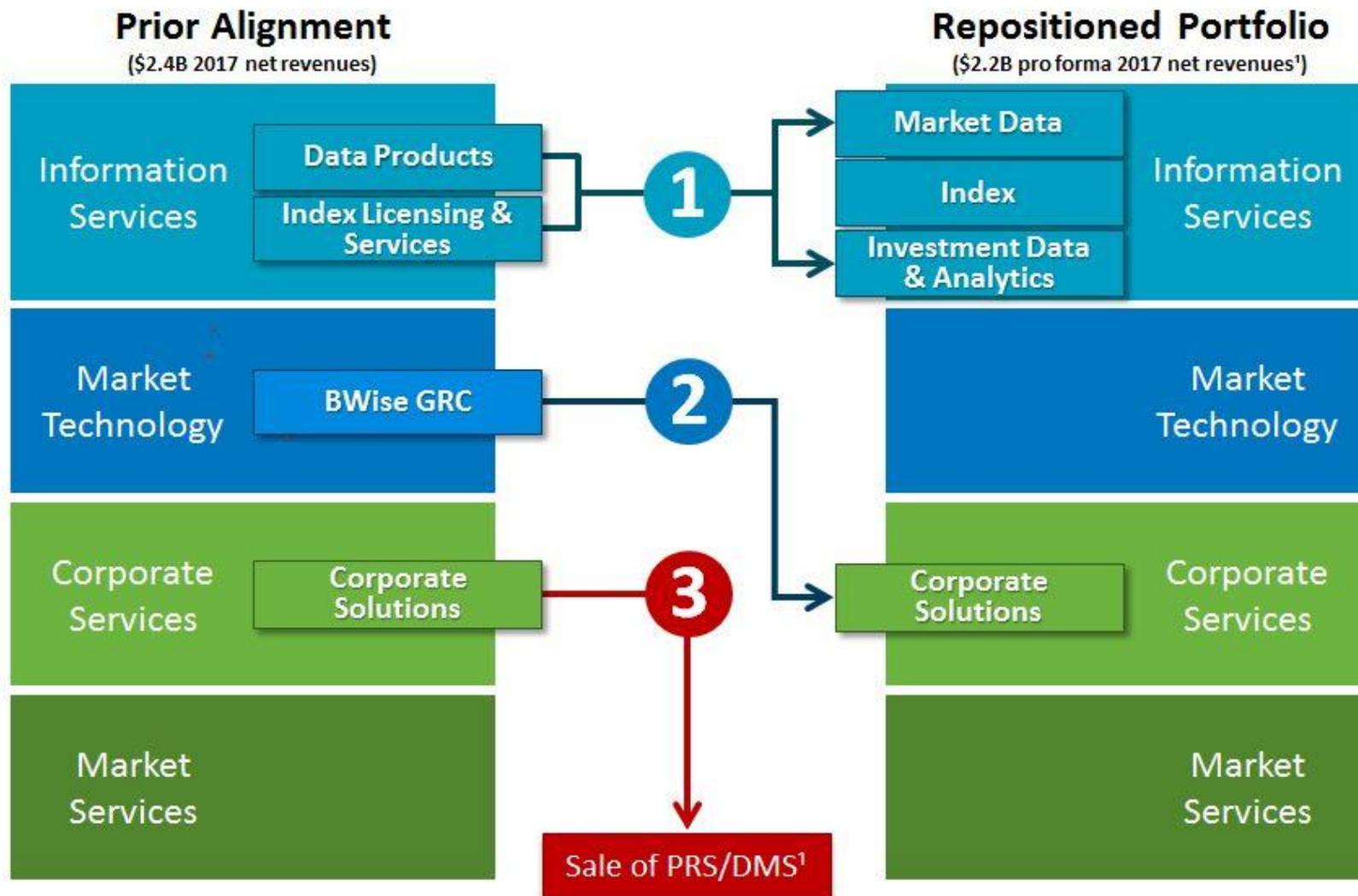
**Total Non-GAAP
Operating Expenses**

\$1,295-\$1,335 Million

Non-GAAP Tax Rate Guidance: 24.5% - 26.5%

U.S. GAAP operating expense and tax guidance is not provided due to the inherent difficulty in quantifying certain amounts due to a variety of factors including the unpredictability in the movement in foreign currency rates, as well as future charges or reversals outside of the normal course of business.

REPOSITIONED SEGMENT REPORTING



¹Nasdaq net revenues are adjusted for the expected divestiture of the Public Relations Solutions and Digital Media Services businesses within the Corporate Services segment and the adoption of the new revenue recognition standard.

RECLASSIFIED NON-GAAP QUARTERLY RESULTS¹

(in \$ millions)	1Q17	2Q17	3Q17	4Q17	1Q18
Market Services					
Revenue	218	222	219	222	250
Expense	99	101	101	100	103
Operating income	119	121	118	122	147
Information Services					
Market data	90	90	96	92	101
Index	39	43	43	47	50
Investment data & analytics	9	11	11	17	23
Total Revenue	138	144	150	156	174
Expense	36	39	39	56	61
Operating income	102	105	111	100	113
Corporate Services					
Listings revenue	65	65	67	70	72
Corporate Solutions revenue	56	57	59	61	60
Total revenue	121	122	126	131	132
Expense	84	85	85	88	89
Operating income	37	37	41	43	43
Market Technology					
Revenue	56	58	62	71	60
Expense	45	44	48	53	58
Operating income	11	14	14	18	2
Public Relations Solutions and Digital Media Services Businesses					
Revenue	48	50	46	50	50
Expense	42	42	42	42	42
Operating income	6	8	4	8	8
Total					
Revenue	581	596	603	630	666
Expense	306	311	315	339	353
Operating income	275	285	288	291	313

¹Reclassified quarterly non-GAAP results reflect the realignment of the Bwise business from our Market Technology segment to our Corporate Services segment and the exclusion of historical revenue and expense of our Public Relations Solutions and Digital Media Services businesses from the Corporate Solutions business which is part of our Corporate Services segment. For segment reporting in our Form 10-Q, we will include historical revenues and expenses of the Public Relations Solutions and Digital Media Services businesses in our corporate items segment. Also, the above reflects the recategorization of our Information Services segment into three subsegments: market data, index and investment data & analytics.

DEBT OVERVIEW

Plan to De-Lever to Mid-2X

- 1Q18 debt decreased by \$92M versus 4Q17 primarily due to \$133M net debt payment partially offset by a \$40M increase in Euro bonds book values caused by a stronger Euro
- 1Q18 total debt to EBITDA declined to 3.2x from 3.4x in 4Q17. Plan to de-lever to mid-2x leverage ratio by mid-2019
- 1Q18 net interest expense was \$36M, \$1M higher than in 1Q17, primarily due to debt issued in connection with the eVestment acquisition

Leverage Ratios

Net Debt to EBITDA ⁽¹⁾ = 2.9x

Total Debt to EBITDA ⁽¹⁾ = 3.2x

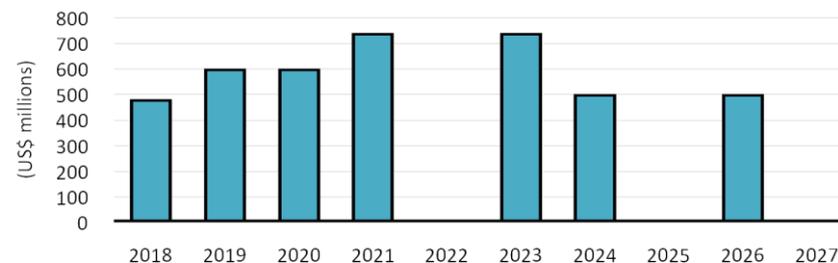
LTM EBITDA ⁽¹⁾ = \$1,285M

1. See Appendix for EBITDA reconciliation.
2. Includes debt issuance costs of \$4 million at March 31, 2018 and \$5 million at December 31, 2017.
3. Excludes \$24M of restricted cash as of March 31, 2018 and \$22M as of December 31, 2017.

\$3.7B Net Debt

(US\$ millions)	3/31/2018	12/31/2017	Maturity Date
Commercial Paper	462	480	Various
Revolver (Libor + 117.5 bps) ⁽²⁾	(4)	110	Apr 2022
Term Loan (Libor + 150 bps)	100	100	Nov 2019
Floating rate note (Libor + 39 bps)	498	498	Mar 2019
5.55% Bond	599	599	Jan 2020
3.88% Euro Bond	736	716	Jun 2021
1.75% Euro Bond	732	712	May 2023
4.25% Bond	496	496	Jun 2024
3.85% Bond	496	496	Jun 2026
Total Debt Obligations	\$4,115	\$4,207	
Less Cash and Cash Equivalents ⁽³⁾	(405)	(377)	
Net Debt	\$3,710	\$3,830	

Well Laddered Debt Maturities



APPENDIX

HISTORICAL CASH FLOW/ USES OF CASH FLOW

Free Cash Flow Calculation (US\$ millions)	2015	2016	2017	2018 YTD	2015-2018 YTD
Cash flow from operations ⁽¹⁾	\$727	\$776	\$909	\$375	\$2,787
Capital expenditure	(133)	(134)	(144)	(16)	(427)
Free cash flow	594	642	765	359	2,360
Section 31 fees, net ⁽²⁾	16	(4)	(9)	23	26
Free cash flow ex. Section 31 fees	\$610	\$638	\$756	\$382	\$2,386
Uses of cash flow					
Share repurchases	\$377	\$100	\$203	\$99	\$779
Net repayment/(borrowing) of debt	(137)	(1,300)	(411)	133	(1,715)
Acquisitions	256	1,460	776	—	2,492
Dividends paid	149	200	243	63	655
Total uses of cash flow	\$645	\$460	\$811	\$295	\$2,211

1. Cash flow from operations has been restated for adoption of ASU 2016-15, ASU 2016-18, and ASU 2016-09.

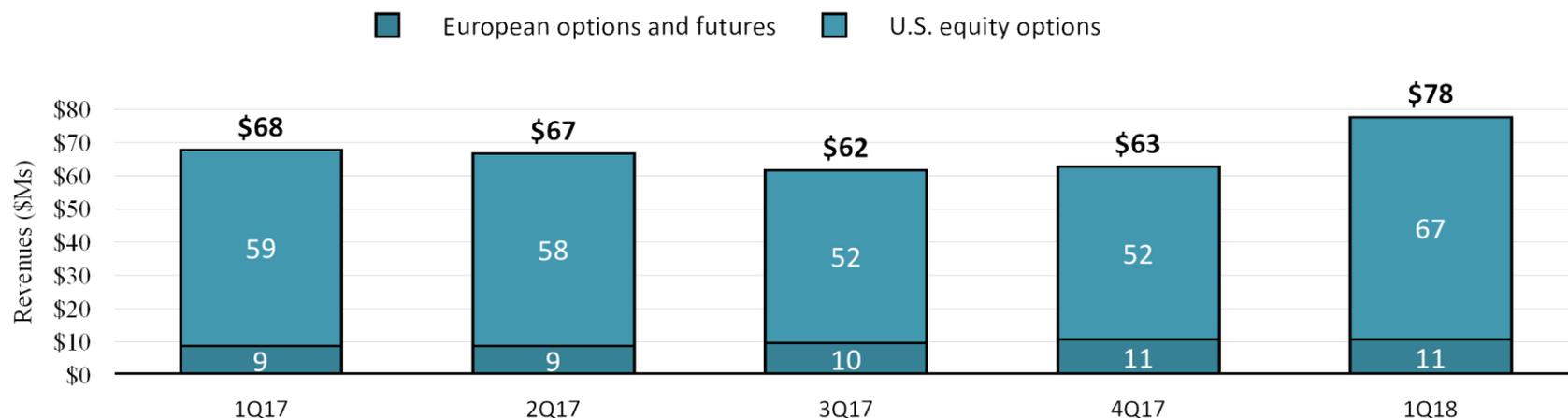
2. Net of change in Section 31 fees receivables of (\$11 million) in 2015; \$1 million in 2016; \$11 million in 2017; \$23 million in 2018 YTD and \$24 million in 2015 - 2018 YTD.

TOTAL VARIANCE NET IMPACTS: 1Q18

<i>All figures in US\$ Millions</i>	1Q18 actual	1Q17 actual	Total Variance		Organic Impact		Acquisition Impact		FX Impact (Prior Year Rates)	
			\$M	%	\$M	%	\$M	%	\$M	%
Market Services	\$250	\$218	\$32	15%	\$25	11%	\$—	—%	\$7	3%
Corporate Services	172	160	12	8%	8	5%	—	—%	4	3%
Information Services	174	138	36	26%	19	14%	13	9%	4	3%
Market Technology	70	65	5	8%	3	5%	—	—%	2	3%
Total Non-trading Segment Revenue	416	363	53	15%	30	8%	13	4%	10	3%
Total Revenue less transaction expenses	666	581	85	15%	55	9%	13	2%	17	3%
Non-GAAP Operating Expenses	353	306	47	15%	18	6%	19	6%	10	3%
Non-GAAP Operating Income	313	275	38	14%	37	13%	(6)	(2)%	7	3%
Non-GAAP Operating Margin	47%	47%	—	—	—	—	—	—	—	—

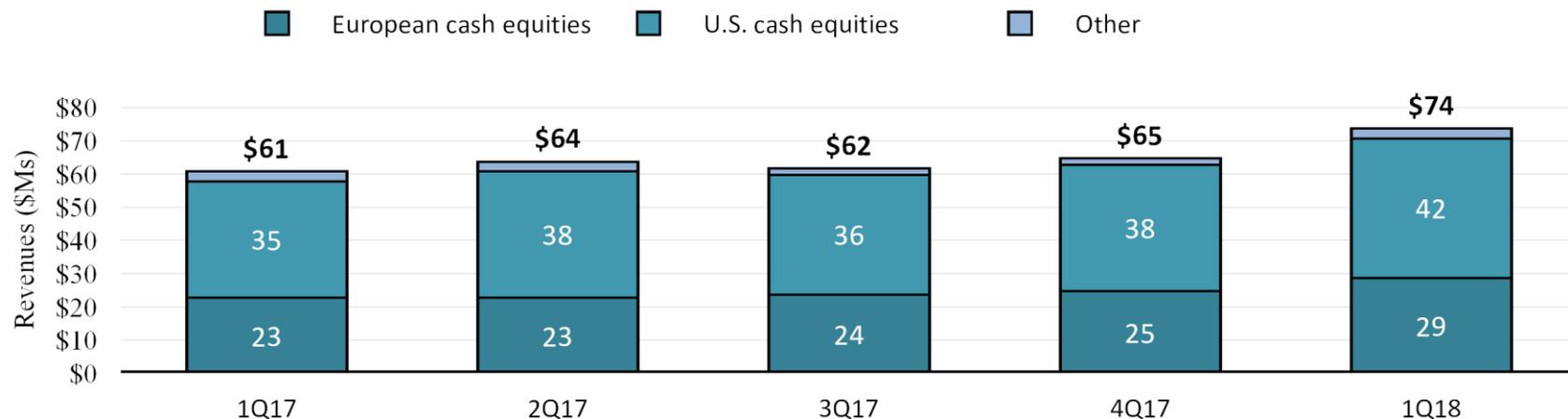
<i>All figures in US\$ Millions</i>	1Q18 actual	1Q17 actual	Total Variance		Organic Impact		Acquisition Impact		FX Impact (Prior Year Rates)	
			\$M	%	\$M	%	\$M	%	\$M	%
Corporate Solutions	\$100	\$95	\$5	5%	\$3	3%	\$—	—%	\$2	2%
Listing Services	72	65	7	11%	5	8%	—	—%	2	3%
Data Products	133	108	25	23%	8	7%	13	12%	4	4%
Index Licensing and Services	41	30	11	37%	11	37%	—	—%	—	—%

EQUITY DERIVATIVE TRADING AND CLEARING



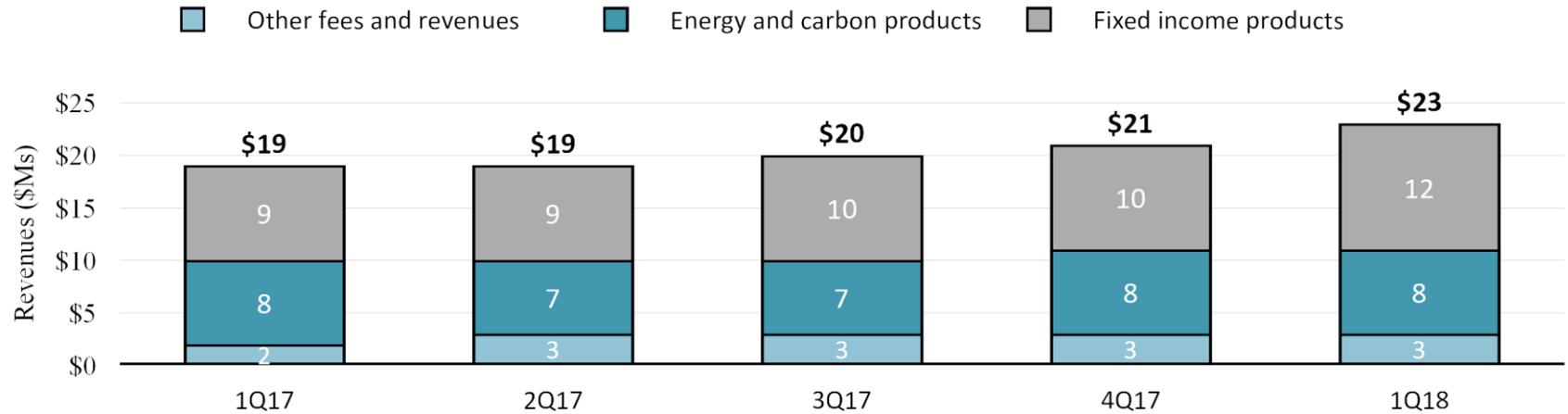
	1Q17	2Q17	3Q17	4Q17	1Q18
Net Revenues (US\$ in Millions)					
U.S. equity options	59	58	52	52	67
European options and futures	9	9	10	11	11
Equity Derivatives	68	67	62	63	78
Nasdaq Volumes					
U.S. equity options (millions of contracts)	385	386	364	399	474
European options and futures (millions of contracts)	21.7	22.2	19.2	19.8	22.3
Revenue Capture					
U.S. equity options (RPC)	\$ 0.15	\$ 0.15	\$ 0.14	\$ 0.13	\$ 0.14
European options and futures (RPC)	\$ 0.42	\$ 0.39	\$ 0.51	\$ 0.56	\$ 0.47
<i>SEK/US\$ average</i>	\$ 0.112	\$ 0.114	\$ 0.123	\$ 0.120	\$ 0.123
<i>Euro/US\$ average</i>	\$ 1.065	\$ 1.100	\$ 1.175	\$ 1.178	\$ 1.229

CASH EQUITY TRADING



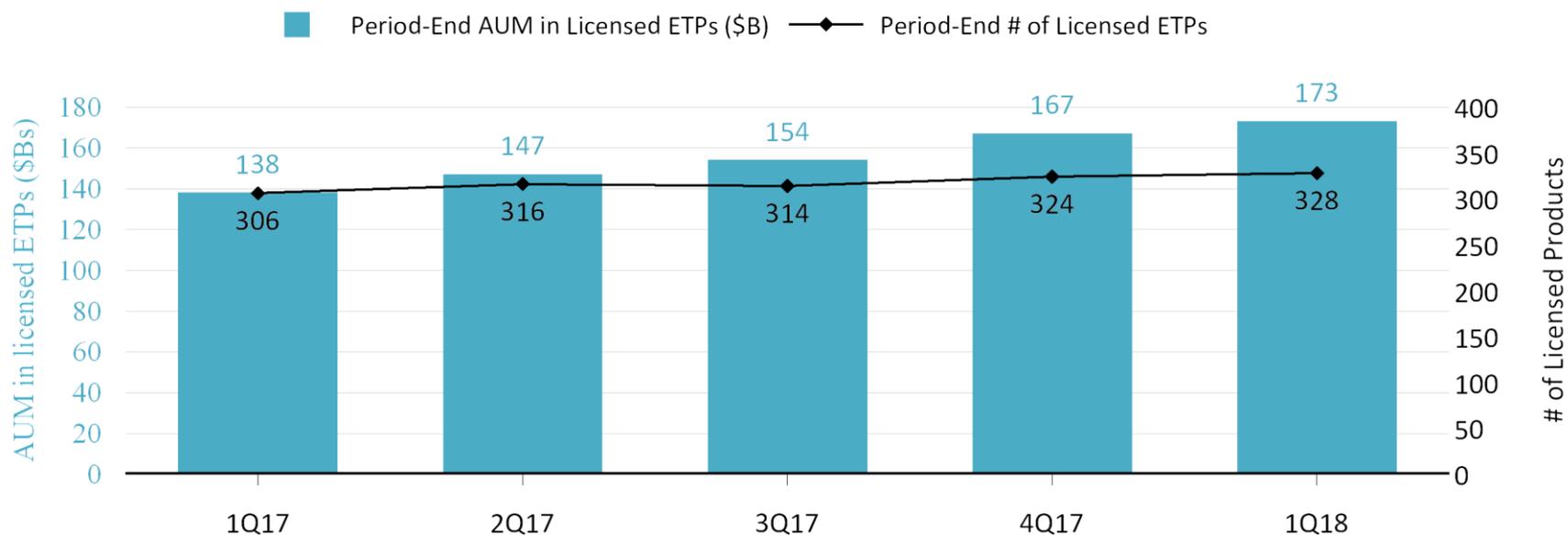
	1Q17	2Q17	3Q17	4Q17	1Q18
Net Revenues (US\$ in Millions)					
U.S. cash equities	35	38	36	38	42
European cash equities	23	23	24	25	29
Other	3	3	2	2	3
Cash Equity Trading	61	64	62	65	74
Nasdaq Volumes					
U.S. cash equities (billions of shares)	74.7	79.3	69.1	72.7	88.6
European cash equities value shares traded (\$B)	206	220	221	238	260
Revenue Capture					
U.S. cash equities revenue capture per 1000 shares	\$ 0.47	\$ 0.49	\$ 0.52	\$ 0.52	\$ 0.48
European cash equities revenue capture per \$1000 traded	\$ 0.11	\$ 0.10	\$ 0.11	\$ 0.11	\$ 0.11
<i>SEK/US\$ average</i>	\$ 0.112	\$ 0.114	\$ 0.123	\$ 0.120	\$ 0.123
<i>Euro/US\$ average</i>	\$ 1.065	\$ 1.100	\$ 1.175	\$ 1.178	\$ 1.229

FIXED INCOME AND COMMODITIES TRADING & CLEARING



	1Q17	2Q17	3Q17	4Q17	1Q18
Net Revenues (US\$ in Millions)					
Fixed income products	9	9	10	10	12
Energy and carbon products	8	7	7	8	8
Other fees and revenues	2	3	3	3	3
Fixed Income and Commodities Trading and Clearing	19	19	20	21	23
Nasdaq Volumes					
U.S. Fixed income trading volume (billions of \$ notional)	5,041	4,755	3,975	4,030	5,156
European Fixed income products (millions of contracts)	7.2	7.0	6.8	8.3	8.3
Energy trading and clearing (TWh)	585	406	392	420	397
Revenue Capture					
European Fixed Income (RPC)	\$ 0.71	\$ 0.62	\$ 0.63	\$ 0.49	\$ 0.65
Energy trading and clearing (\$1000 per TWh)	\$ 13.68	\$ 17.24	\$ 18.17	\$ 19.08	\$ 20.30
<i>SEK/US\$ average</i>	\$ 0.112	\$ 0.114	\$ 0.123	\$ 0.120	\$ 0.123
<i>Euro/US\$ average</i>	\$ 1.065	\$ 1.100	\$ 1.175	\$ 1.178	\$ 1.229

INDEX LICENSING AND SERVICES



	1Q17	2Q17	3Q17	4Q17	1Q18
Period-End # of Licensed ETPs	306	316	314	324	328
Period-End AUM in Licensed ETPs (\$B)	138	147	154	167	173
Index Licensing & Servicing Revenues (\$M)	30	33	34	37	41

MARKET TECHNOLOGY



	1Q17	2Q17	3Q17	4Q17	1Q18
New Order Intake	47	64	66	115	55
Total Order Value	709	710	698	747	735
Net Revenue	65	68	73	83	70

RECONCILIATIONS OF U.S. GAAP to NON-GAAP

NON-GAAP ADJUSTMENTS

<i>(US\$ millions)</i>	1Q18	4Q17	3Q17	2Q17	1Q17	2017	2016	2015
Amortization expense of acquired intangible assets ⁽¹⁾	28	25	22	22	23	92	82	62
Merger and strategic initiatives ⁽²⁾	10	24	3	11	6	44	76	10
Restructuring charges ⁽³⁾	—	—	—	—	—	—	41	172
Asset impairment charge ⁽⁴⁾	—	—	—	—	—	—	578	—
Regulatory matter ⁽⁵⁾	—	—	1	—	—	1	6	—
Executive compensation ⁽⁶⁾	—	—	—	—	—	—	12	—
Sublease loss reserve ⁽⁷⁾	2	2	—	—	—	2	(1)	—
Reversal of value added tax refund ⁽⁸⁾	—	—	—	—	—	—	—	12
Extinguishment of debt ⁽⁹⁾	—	—	—	10	—	10	—	—
Other ⁽¹⁰⁾	—	—	—	2	—	2	6	—
Income from OCC equity investment ⁽¹¹⁾	—	—	—	—	—	—	—	(13)
Total Non-GAAP adjustments	40	51	26	45	29	151	800	243
Non-GAAP adjustment to the income tax provision ⁽¹²⁾	(8)	(120)	(24)	(21)	(35)	(199)	(287)	(90)
Total Non-GAAP Adjustments, net of tax	32	(69)	2	24	(6)	(48)	513	153

Please see page 24 for above footnotes

NON-GAAP ADJUSTMENTS FOOTNOTES

- (1) Refer to the non-GAAP disclaimer information section for further discussion of why we consider amortization expense of acquired intangible assets and other items to be non-GAAP adjustments.
- (2) For the three months ended March 31, 2018, this expense is primarily related to the sale of our Public Relations Solutions and Digital Media Services businesses within our Corporate Solutions business. For the three months and year ended December 31, 2017 and for the three months ended September 30, 2017, this expense is primarily related to our acquisitions of eInvestment, Inc. and International Securities Exchange, or ISE, as well as costs associated with the sale of our Public Relations and Digital Media businesses within our Corporate Solutions business. For the three months ended June 30, 2017, this expense primarily related to our acquisition of ISE. For the three months ended March 31, 2017, this expense primarily related to our acquisitions of ISE and Boardvantage, Inc. For the year ended December 31, 2016, this expense primarily related to our acquisitions of ISE, Boardvantage, Inc., and Marketwired L.P. For the year ended December 31, 2015, this expense primarily related to certain strategic initiatives and our acquisition of Dorsey, Wright & Associates, LLC. Refer to the non-GAAP disclaimer of this earnings presentation for further discussion on why we consider merger and strategic initiatives expense to be a non-GAAP adjustment.
- (3) During 2016, we completed our 2015 restructuring plan. For the years ended December 31, 2016 and December 31, 2015, restructuring charges primarily related to severance and other termination benefits, asset impairment charges, and other charges.
- (4) For the year ended December 31, 2016, we recorded a pre-tax, non-cash intangible asset impairment charge of \$578 million related to the full write-off of the eSpeed trade name due to a continued decline in operating performance of the eSpeed business during 2016 and a rebranding of our Fixed Income business.
- (5) During 2016, the Swedish Financial Supervisory Authority, or SFSA, completed their investigations of cybersecurity processes at our Nordic exchanges and clearinghouse. In December 2016, we were issued a \$6 million fine by the SFSA as a result of findings in connection with its investigation. The SFSA's conclusions related to governance issues rather than systems and platform security. We have appealed the SFSA's decision, including the amount of the fine. The court has not yet reached a decision regarding our appeal. This charge is included in regulatory expense in the Condensed Consolidated Statements of Income (Loss) for the three months and year ended December 31, 2016.
- (6) For the year ended December 31, 2016, we recorded \$12 million in accelerated expense due to the retirement of the company's former CEO for equity awards previously granted.
- (7) For the both the three months ended March 31, 2018 and December 31, 2017, and for the year ended December 31, 2017 we established a sublease loss reserve on space we currently occupy due to excess capacity. The credit of \$1 million for the year ended December 31, 2016, pertains to the release of a previously recorded sublease loss reserve due to the early exit of a facility, partially offset by a sublease loss reserve charge recorded on space we currently occupy due to excess capacity.
- (8) We previously recorded receivables for expected value added tax, or VAT, refunds based on an approach that had been accepted by the tax authorities in prior years. The tax authorities have since challenged our approach, and the revised position of the tax authorities was upheld in court during the first quarter of 2015. As a result, in the first quarter of 2015, we recorded a charge of \$12 million for previously recorded receivables based on the court decision.
- (9) For the three months ended June 30, 2017 and for the year ended December 31, 2017, in connection with the early extinguishment of our 5.25% senior unsecured notes and the \$300 million repayment on our \$400 million senior unsecured term loan facility due November 25, 2019, we recorded a charge of \$10 million primarily related to a premium paid for early redemption.
- (10) For the three months ended June 30, 2017 and for the year ended December 31, 2017, other charge relates to wind down costs associated with an equity method investment that was previously written off, which is included in net income (loss) from unconsolidated investees in the Condensed Consolidated Statements of Income (Loss). For the year ended December 31, 2016, other charges primarily include the impact of the write-off of an equity method investment, partially offset by a gain resulting from the sale of a percentage of a separate equity method investment. We recorded the net loss in net income (loss) from unconsolidated investees in the Condensed Consolidated Statements of Income (Loss).
- (11) We record our investment in The Options Clearing Corporation, or OCC, as an equity method investment. Under the equity method of accounting, we recognize our share of earnings or losses of an equity method investee based on our ownership percentage. As a result of a new capital plan implemented by OCC, we were not able to determine what our share of OCC's income was for the year ended December 31, 2014 until the first quarter of 2015, when OCC financial statements were made available to us. Therefore, we recorded other income of \$13 million in the first quarter of 2015 relating to our share of OCC's income for the year ended December 31, 2014.
- (12) The non-GAAP adjustment to the income tax provision includes the tax impact of each non-GAAP adjustment. The Tax Cuts & Jobs Act, or TCJA, was enacted on December 22, 2017. For the three months ended March 31, 2018, we recorded an increase to tax expense of \$5 million, which reflects the reduced federal tax benefit associated with state unrecognized tax benefits. For the three months ended December 31, 2017, we recorded a decrease to tax expense of \$89 million, which reflected the estimated impact associated with the enactment of the TCJA. The decrease in tax expense primarily related to the remeasurement of our net U.S. deferred tax liability at the lower U.S. federal corporate income tax rate. The amounts referred above may be refined in the future as new information becomes available. For the three months and year ended December 31, 2017, we recorded a decrease to tax expense of \$6 million, which reflects the impact of amending our assertion regarding the indefinite reinvestment of earnings of certain subsidiaries outside the U.S. In addition, the non-GAAP adjustment to the income tax provision reflects the recognition of previously unrecognized tax benefits associated with positions taken in prior years of \$8 million for the three months ended September 30, 2017 and \$12 million for the year ended December 31, 2017. Excess tax benefits related to employee share-based compensation of \$5 million for the three months ended March 31, 2018, \$10 million for the three months ended December 31, 2017, \$7 million for the three months ended September 30, 2017, \$40 million for the year ended December 31, 2017 and \$23 million for the three months ended March 31, 2017 were recorded as a result of the adoption of new accounting guidance on January 1, 2017. Refer to the non-GAAP disclaimer section for further discussion on why we consider excess tax benefits related to employee share-based compensation to be a non-GAAP adjustment. For the year ended December 31, 2016, we recorded a \$27 million tax expense due to an unfavorable tax ruling received during the second quarter of 2016, the impact of which is related to prior periods.

RECONCILIATION OF U.S. GAAP to NON-GAAP: OPERATING EXPENSES, OPERATING INCOME, NET INCOME AND DILUTED EARNINGS PER COMMON SHARE

<i>(US\$ millions, except per share)</i>	1Q18	4Q17	1Q17	2017	2016	2015
U.S. GAAP operating expenses:	\$393	\$390	\$335	\$1,420	\$1,440	\$1,370
Total Non-GAAP adjustments:	(40)	(51)	(29)	(149)	(216)	(256)
Non-GAAP operating expenses:	\$353	\$339	\$306	\$1,271	\$1,224	\$1,114
U.S. GAAP operating income:	\$273	\$240	\$246	\$991	\$836	\$720
Total Non-GAAP adjustments:	40	51	29	149	216	256
Non-GAAP operating income:	\$313	\$291	\$275	\$1,140	\$1,052	\$976
Revenues less transaction based expenses	\$666	\$630	\$581	\$2,411	\$2,276	\$2,090
U.S.-GAAP operating margin ⁽¹⁾	41%	38%	42%	41%	37%	34%
Non-GAAP operating margin ⁽²⁾	47%	46%	47%	47%	46%	47%
U.S. GAAP net income attributable to Nasdaq:	\$177	\$246	\$168	\$729	\$106	\$428
Total Non-GAAP Adjustments, net of tax:	32	(69)	(6)	(48)	513	153
Non-GAAP net income attributable to Nasdaq:	\$209	\$177	\$162	\$681	\$619	\$581
U.S. GAAP diluted earnings per share:	\$1.05	\$1.45	\$0.99	\$4.30	\$0.63	\$2.50
Total adjustments from non-GAAP net income above:	0.19	(0.41)	(0.04)	(0.28)	3.04	0.89
Non-GAAP diluted earnings per share:	\$1.24	\$1.04	\$0.95	\$4.02	\$3.67	\$3.39

1. U.S. GAAP operating margin equals U.S. GAAP operating income divided by total revenues less transaction-based expenses.
2. Non-GAAP operating margin equals non-GAAP operating income divided by total revenues less transaction-based expenses.

NON-TRADING SEGMENTS ORGANIC REVENUE GROWTH

<u>Non-Trading Segments</u>			Total Variance		Organic Impact		Other Impact ⁽¹⁾	
<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$	%	\$	%	\$	%
1Q18	416	363	53	15%	30	8%	23	6%
4Q17	408	373	35	9%	20	5%	15	4%
3Q17	384	368	16	4%	12	3%	4	1%
2Q17	374	371	3	1%	12	3%	(9)	(2)%
1Q17	363	337	26	8%	15	4%	11	3%
2018 YTD	416	363	53	15%	30	8%	23	6%
2017	1,530	1,449	81	6%	59	4%	22	2%
2016	1,449	1,319	130	10%	53	4%	77	6%
2015	1,319	1,271	48	4%	70	6%	(22)	(2)%
2014	1,271	1,139	132	12%	46	4%	86	8%
2013	1,139	937	202	22%	59	6%	143	15%

1. Other impacts includes acquisitions and changes in FX rates.

MARKET SERVICES ORGANIC REVENUE GROWTH

<u>Market Services Segment</u>			Total Variance		Organic Impact		Other Impact ⁽¹⁾	
<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$	%	\$	%	\$	%
1Q18	250	218	32	15%	25	11%	7	3%
4Q17	222	220	2	1%	(3)	(1)%	5	2%
3Q17	219	213	6	3%	3	1%	3	1%
2Q17	222	194	28	14%	3	2%	25	13%
1Q17	218	201	17	8%	(12)	(6)%	29	14%
2018 YTD	250	218	32	15%	25	11%	7	3%
2017	881	827	54	7%	(7)	(1)%	61	7%
2016	827	771	56	7%	(13)	(2)%	69	9%
2015	771	796	(25)	(3)%	23	3%	(48)	(6)%
2014	796	756	40	5%	21	2%	19	3%
2013	756	737	19	3%	(24)	(3)%	43	6%

1. Other impacts includes acquisitions and changes in FX rates.

EBITDA: EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

<i>(US\$ millions)</i>	TTM	1Q18	4Q17	3Q17	2Q17
GAAP net income attributable to Nasdaq:	\$739	\$177	\$246	\$170	\$146
Income tax provision	156	62	(35)	64	65
Net income from unconsolidated investees	(13)	(2)	(5)	(4)	(2)
Other investment income	(1)	—	—	—	(1)
Net interest expense	136	36	34	32	34
GAAP operating income:	\$1,017	\$273	\$240	\$262	\$242
Non-GAAP Adjustments ⁽¹⁾	160	40	51	26	43
Non-GAAP operating income:	\$1,177	\$313	\$291	\$288	\$285
Depreciation and amortization of tangibles (Nasdaq)	98	24	24	25	25
EBITDA of eVestment Pre-acquisition	10	—	1	5	4
EBITDA:	\$1,285	\$337	\$316	\$318	\$314

1. Please see slide 25 for reconciliation of GAAP operating income to non-GAAP operating income.

TAX RATE: RECONCILIATION OF GAAP EFFECTIVE TAX RATE TO NON-GAAP EFFECTIVE TAX RATE

<i>(US\$ millions, except effective tax rate)</i>	Three Months Ended Mar 31, 2018		
	U.S. GAAP	Non-GAAP Adjustments ⁽¹⁾	Non-GAAP
Income before income taxes	\$239	\$40	\$279
Income tax provision	62	8	70
Net Income	\$177	\$32	\$209
Effective tax rate	26%	20%	25%

1. Please see slides 23-24 for details of non-GAAP adjustments and non-GAAP adjustment to the income tax provision.

DISCLAIMERS

Non-GAAP Information

In addition to disclosing results determined in accordance with U.S. GAAP, Nasdaq also discloses certain non-GAAP results of operations, including, but not limited to, net income attributable to Nasdaq, diluted earnings per share, operating income, and operating expenses, that include certain adjustments or exclude certain charges and gains that are described in the reconciliation table of U.S. GAAP to non-GAAP information provided at the end of this release. Management uses this non-GAAP information internally, along with U.S. GAAP information, in evaluating our performance and in making financial and operational decisions. We believe our presentation of these measures provides investors with greater transparency and supplemental data relating to our financial condition and results of operations. In addition, we believe the presentation of these measures is useful to investors for period-to-period comparisons of results as the items described below do not reflect ongoing operating performance.

These measures are not in accordance with, or an alternative to, U.S. GAAP, and may be different from non-GAAP measures used by other companies. Investors should not rely on any single financial measure when evaluating our business. We recommend investors review the U.S. GAAP financial measures included in this earnings release. When viewed in conjunction with our U.S. GAAP results and the accompanying reconciliations, we believe these non-GAAP measures provide greater transparency and a more complete understanding of factors affecting our business than U.S. GAAP measures alone.

We understand that analysts and investors regularly rely on non-GAAP financial measures, such as non-GAAP net income attributable to Nasdaq, non-GAAP diluted earnings per share, non-GAAP operating income and non-GAAP operating expenses to assess operating performance. We use these measures because they highlight trends more clearly in our business that may not otherwise be apparent when relying solely on U.S. GAAP financial measures, since these measures eliminate from our results specific financial items, such as those described below, that have less bearing on our ongoing operating performance.

Amortization expense of acquired intangible assets: We amortize intangible assets acquired in connection with various acquisitions. Intangible asset amortization expense can vary from period to period due to episodic acquisitions completed, rather than from our ongoing business operations. As such, if intangible asset amortization is included in performance measures, it is more difficult to assess the day-to-day operating performance of the businesses, the relative operating performance of the businesses between periods and the earnings power of Nasdaq. Management does not consider intangible asset amortization expense for the purpose of evaluating the performance of our business or its managers or when making decisions to allocate resources. Therefore, we believe performance measures excluding intangible asset amortization expense provide investors with a more useful representation of our businesses' ongoing activity in each period.

Merger and strategic initiatives expense: We have pursued various strategic initiatives and completed a number of acquisitions in recent years which have resulted in expenses which would not have otherwise been incurred. These expenses generally include integration costs, as well as legal, due diligence and other third party transaction costs. The frequency and the amount of such expenses vary significantly based on the size, timing and complexity of the transaction. Accordingly, we exclude these costs for purposes of calculating non-GAAP measures which provide a more meaningful analysis of Nasdaq's ongoing operating performance or comparisons in Nasdaq's performance between periods.

DISCLAIMERS

Non-GAAP Information (cont.)

Restructuring charges: Restructuring charges are associated with our 2015 restructuring plan to improve performance, cut costs and reduce spending and as of December 31, 2016 are primarily related to (i) severance and other termination benefits, (ii) asset impairment charges, and (iii) other charges. We exclude these restructuring costs because these costs do not reflect future operating expenses and do not contribute to a meaningful evaluation of Nasdaq's ongoing operating performance or comparison of Nasdaq's performance between periods.

Asset impairment charge: Intangible assets that have indefinite lives are reviewed for impairment at least annually, or when indicators of impairment are present. For the three months and year ended December 31, 2016, we recorded a pre-tax, non-cash asset impairment charge of \$578 million related to the full write-off of the eSpeed trade name due to a continued decline in operating performance of the eSpeed business during 2016 and a rebranding of our Fixed Income business.

Other significant items: We have excluded certain other charges or gains that are the result of other non-comparable events to measure operating performance. We believe the exclusion of such amounts allows management and investors to better understand the financial results of Nasdaq. The details of these items can be found in the footnotes to the non-gaap adjustments in this presentation.

Significant tax items: The non-GAAP adjustment to the income tax provision includes the tax impact of each non-GAAP adjustment. In addition, we have excluded certain other tax items which are the results of non-comparable events and for which we believe the exclusion of such amounts allows management and investors to better understand the financial results of Nasdaq. The details of these items can be found in the footnotes to the non-gaap adjustments in this presentation.

DISCLAIMERS

Non-GAAP Information (cont.)

Foreign exchange impact: In countries with currencies other than the U.S. dollar, revenues and expenses are translated using monthly average exchange rates. Certain discussions in this release isolate the impact of year-over-year foreign currency fluctuations to better measure the comparability of operating results between periods. Operating results excluding the impact of foreign currency fluctuations are calculated by translating the current period's results by the prior period's exchange rates.

Cautionary Note Regarding Forward-Looking Statements

Information set forth in this communication contains forward-looking statements that involve a number of risks and uncertainties. Nasdaq cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Such forward-looking statements include, but are not limited to (i) projections relating to our future financial results, total shareholder returns, growth, trading volumes, products and services, order backlog, taxes and achievement of synergy targets, (ii) statements about the closing or implementation dates and benefits of certain acquisitions and other strategic, restructuring, technology, de-leveraging and capital allocation initiatives, (iii) statements about our integrations of our recent acquisitions, (iv) statements relating to any litigation or regulatory or government investigation or action to which we are or could become a party, and (v) other statements that are not historical facts. Forward-looking statements involve a number of risks, uncertainties or other factors beyond Nasdaq's control. These factors include, but are not limited to, Nasdaq's ability to implement its strategic initiatives, economic, political and market conditions and fluctuations, government and industry regulation, interest rate risk, U.S. and global competition, and other factors detailed in Nasdaq's filings with the U.S. Securities and Exchange Commission, including its annual reports on Form 10-K and quarterly reports on Form 10-Q which are available on Nasdaq's investor relations website at <http://ir.nasdaq.com> and the SEC's website at www.sec.gov. Nasdaq undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Website Disclosure

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